

August 17, 2020

## Daily Currency outlook

### Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stop loss	Duration
US\$INR	August	Sell	75.08	74.88	75.21	1 day

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## INR Futures

Currency Pair	Close	Pvs. Close	% Change
US\$INR (Aug)	75.02	74.92	0.13
EURINR (Aug)	88.57	88.75	-0.20
GBPINR (Aug)	98.28	98.17	0.11
JPY INR (Aug)	70.32	70.09	0.32

## Global Bonds

Bonds	Close	Change	% Change
India 10 Year	5.97	0.07	0.00
India 2 Year	4.25	0.01	0.00
US 10 Year	0.71	0.00	0.00
US 2 Year	0.15	-0.02	-0.11
Germany 10 Year	-0.42	0.01	0.01

## FII & FPI Activities

Segment	Purchase	Sell	Net Rs. crores
Equity	4552	4055	497
Debt	882	296	586
Net			1083

Source: Bloomberg, ICICI Direct Research

- US\$INR futures remained slightly positive on Friday's session amid a sharp correction in domestic equities. However, a weaker dollar against the basket of major currencies capped gains in the pair

- The dollar index dropped on Friday to 93 level, falling for eight straight weeks, as investors looked to other currencies whose economies are currently outperforming the US in terms of managing the Covid-19 pandemic

- Despite starting on a positive note, ATM, OTM Call writers dominated the day and dragged the Nifty lower by 250 points from highs. The 11000 Put has significant OI that can act as support on downsides

- For a major part of the day, the Bank Nifty remained under pressure due to selling in most private banks along with the PSU banks. On the weekly options front, significant OI has got distributed from 22000 to 22500 Call strikes. On the other hand, addition was seen in 21000 Put strike. It indicates the Bank Nifty may trade within a range of 21000 and 22000 levels in coming days

- Foreign institutional investors (FII) were net buyers to the tune of ₹ 1083 crore on August 14, 2020. They bought worth ₹ 497 crore in the equity market and also bought worth ₹ 586 crore in the debt market. In August, FIIs have bought equities worth ₹ 27062 so far while in debt also they bought worth ₹ 276 crore

## US\$INR futures on NSE

Contracts	LTP	(% change)	OI	Vol	(% change)	
					OI	Vol
Aug	75.02	0.13	1284512	1486279	-5.21	31.48
Sep	75.23	0.12	474566	169738	15.79	50.54
Aug-Sep	-0.21	-	-	1316541	-	-

- Growing faith in Europe's rebound and concerns about the US response to the pandemic and politicians remain deadlocked over the next relief package will likely put further pressure on the dollar
- The dollar-rupee August contract on the NSE was at 75.02 in the last session. Open interest in the August series fell 5.2% while it increased almost 16% in the next series

## Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Aug)	74.74	74.88	74.97	75.11	75.20
US\$INR (Sep)	74.96	75.10	75.19	75.32	75.41
EURINR (Aug)	88.13	88.35	88.55	88.77	88.97
EURINR (Sep)	88.48	88.66	88.78	88.96	89.08
GBPINR (Aug)	97.51	97.89	98.11	98.49	98.71
GBPINR (Sep)	97.78	98.16	98.36	98.74	98.94
JPY INR (Aug)	69.92	70.12	70.24	70.44	70.55
JPY INR (Sep)	70.02	70.28	70.42	70.68	70.82

## US\$INR Strategy

### US\$INR Aug futures (NSE)

Sell US\$INR in the range of 75.05-75.10	Market Lot: US \$1000
Target: 74.88/74.75	Stop Loss: 75.21
Supports: 74.88/74.75	Resistances: 75.10/75.21

Note: The given recommendation in this report is intraday and should not be linked with positional view & recommendations given in Monthly currency Derivatives and Positional Currency report which may have different view.



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